

ORDINANCE _____

AN ORDINANCE relating to vending machines in City park facilities; authorizing the Superintendent of the Department of Parks and Recreation to enter into a five-year concession agreement with Compass Group USA, Inc., for providing snack and beverage vending machines in City park facilities identified in the agreement and additional City park facilities and locations approved by the Superintendent from time to time.

WHEREAS, the City, operating through its Department of Parks and Recreation (the "Department"), owns and operates public park facilities; and

WHEREAS, the Department desires to have consistent vending services provided for citizens and guests using these facilities; and

WHEREAS, the Department desires to offer healthy food and beverage selections in modern energy-efficient vending machines located on City parks property; and

WHEREAS, the Department advertised a request for proposals for vending services in the City's newspaper of record, *Daily Journal of Commerce*, and in the following community newspapers: *The Facts*, *The Stranger*, *The Seattle Chinese Times*, and *Nuestro Noroeste*; and

WHEREAS, the Compass Group USA, Inc., acting through its Canteen Vending Services Division, submitted a proposal in response to the City's request, and the Department's evaluation panel selected that proposal as the most advantageous to the Department, with the Superintendent of the Department concurring; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Superintendent of the Department of Parks and Recreation ("Superintendent") is authorized to execute, for and on behalf of the City of Seattle, an agreement with Compass Group USA, Inc., substantially in the form of the Vending Services Concession Agreement between the City of Seattle and Compass Group USA, Inc., attached hereto as Attachment 1.

1 Section 2. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2011, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2011.

7
8 _____
9 President _____ of the City Council

10
11 Approved by me this ____ day of _____, 2011.

12
13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2011.

17
18 _____
19 Monica Martinez Simmons, City Clerk

20 (Seal)

21
22 Attachment 1: Vending Services Concession Agreement between the City of Seattle and
23 Compass Group USA, Inc.
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VENDING SERVICES CONCESSION AGREEMENT
BETWEEN
THE CITY OF SEATTLE
AND
COMPASS GROUP USA, INC.

This VENDING SERVICES Concession Agreement ("Agreement") is made between the City of Seattle ("City"), a municipal corporation, operating through its Department of Parks and Recreation ("DPR") and its Superintendent ("Superintendent") and Compass Group USA, Inc., acting by and through its Canteen Vending Services Division ("Concessionaire"), a corporation organized under the laws of the State of Delaware and Licensed to conduct business in Washington State.

WHEREAS, the City of Seattle, operating through its Department of Parks and Recreation, owns and operates various public parks; and

WHEREAS, the City desires to have consistent vending services provided to citizens and guests at park facilities; and

WHEREAS, The City advertised a Request For Proposals for vending services in the City's newspaper of record, "Daily Journal of Commerce", and other community newspapers such as "The Facts", "The Stranger", "The Seattle Chinese Times", and "Nuestro Noroeste" in order to solicit proposals from qualified individuals and firms and

WHEREAS, the Concessionaire submitted a proposal in response to the City's request; and

WHEREAS, the panel evaluating the proposals selected the Concessionaire's proposal as most advantageous to the City; and

WHEREAS, the Superintendent determined that the Concessionaire best demonstrated the capability and desire to fulfill the requirements and conditions of this Agreement;

THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

I. GRANT.

DPR grants to the Concessionaire the exclusive right to offer Vending Products on DPR's property in the locations listed in Exhibit A to this Agreement. DPR reserves to itself the right to offer or to grant any third party the right to offer Vending Products in locations that are not listed on Exhibit A. DPR reserves the

right to cancel and remove any locations listed in Exhibit A by sending written notice to the Concessionaire thirty days in advance of cancellation.

II. TERM AND EARLY TERMINATION.

This Agreement shall commence on September 1, 2011, and shall terminate at 11:59 pm on August 31, 2016. This agreement may be extended for an additional five-year term at the option of the Superintendent. If the Superintendent decides to exercise the option to extend, then the Superintendent or an assigned designee shall send a written notice to the Concessionaire of the intent to extend the term of the Agreement at least thirty days prior to the termination date of the Agreement. This Agreement may be terminated during this term by either party at any time by giving sixty days written notice to the other party.

III. CONCESSIONAIRE RESPONSIBILITIES.

A. PERFORMANCE DEPOSIT.

At all times during this Agreement, the Concessionaire shall maintain a performance bond in the amount of \$20,000.00 or shall make a \$20,000.00 cash deposit with DPR by cashier's check. The deposit or bond shall remain in effect throughout the term of this contract and for three months thereafter unless DPR notifies the Concessionaire in writing that this requirement has been eliminated. The bond or deposit will not be released by DPR until the Concessionaire has satisfactorily discharged all duties, responsibilities, and performances under the Agreement.

Should the Concessionaire fail to fulfill its obligations contained in this Agreement, then DPR may retain the Concessionaire's performance deposit and apply all or some of the deposit to any money owed by Concessionaire or use some or all of the Deposit to remedy Concessionaire's default. The retention of the deposit or any claim against the bond shall not limit the Concessionaire's financial responsibility for default nor limit DPR's right of recovery against the Concessionaire.

B. HEALTHY MENU OFFERINGS.

The Concessionaire shall at all times stock all vending machines exclusively with health conscious food selections that meet the "Healthiest and/or Healthier" product selections criteria referenced in Exhibit B. The Concessionaire shall not stock any vending machines with products that do not meet the "Healthiest and/or Healthier" product selections criteria referenced in Exhibit B.

C. TYPE, NUMBER, LOCATION, AND INSTALLATION OF VENDING MACHINES.

The Concessionaire shall initially install vending machines at the DPR facilities listed in Exhibit A - Vending Locations. The type and number of

vending machines shall be as described in the Concessionaire's proposal attached as Exhibit C (the "Proposal"). The locations of all vending machines on the Premises must be approved in advance by the Superintendent or the Superintendent's designee.

D. CONDITION OF VENDING MACHINES.

All machines will be of recent manufacture. DPR reserves the right to request the replacement of any vending machine that is deemed, in the opinion of DPR, unsuitable and/or unreliable.

E. ENERGY EFFICIENT.

The vending machines provided by the Concessionaire shall be fully Energy Star compliant and/or be equipped with Vending Misers or other conservation technology that is acceptable to DPR.

F. CLEANING AND MAINTENANCE.

Concessionaire at its sole expense shall be responsible for cleaning all machines. Concessionaire will service and clean its vending machines at least every other week and more frequently if required by DPR.

G. OWNERSHIP.

All vending machines and all unsold merchandise, money in vending machines and supplies installed on the Premises shall remain the sole property of the Concessionaire. All personal property and machines of the Concessionaire that are placed on the Premises are at the Concessionaire's sole risk. Concessionaire hereby releases the City from any claims arising from the loss of or damage to Concessionaire's property.

H. PRICING AND PRICE ADJUSTMENTS.

Initial vending product prices will be as proposed in the Concessionaire's Proposal. Each year in January and July, the Concessionaire may submit a written request to DPR for price increases to reflect inflationary increases being charged to the Concessionaire. The Concessionaire shall document the economic rationale for the proposed increases to the sole satisfaction of DPR. Any change to the vending product prices remains subject to the Superintendent's approval.

I. PAYMENT AND REPORTING.

The Concessionaire shall submit a monthly revenue and concession fee report ("Monthly Report") that provides income and fee data for each DPR location served by the Concessionaire. The Monthly Report will list each vending location and data will be in the format required by DPR. The Concessionaire shall include any supporting documentation that may be required. Concession Fee calculations and Washington State Leasehold Excise Tax calculations

shall be shown in the Monthly Report. The Concessionaire will explain in writing monthly all increases or decreases in revenue to the satisfaction of DPR. The Concessionaire shall also provide DPR with information about conditions impacting the vending services, planned marketing activities, changes in the Concessionaire's operations, or other factors affecting the vending service.

J. CONCESSION FEE.

The Concessionaire shall pay to DPR:

- 27% of gross revenue from diet soda and non-alcoholic beverage vending machine sales,
- 22% of gross revenue from snack vending machine sales, and
- 27% of gross revenue from other vending machine sales.

The Concessionaire shall make monthly Concession Fee payments to DPR. Payment checks shall be due on the 10th of each month for each previous month's activity. As per Section III, I., (above), each monthly Concession Fee payment will be accompanied by the Monthly Report and payment of Washington State Leasehold Excise Tax, calculated as stipulated in Section V, D. 6., (below). Late payments are subject to a one percent per month interest charge plus a \$25.00 penalty.

K. ANNUAL PAYMENT.

The Concessionaire shall pay an annual payment of \$3,000.00 during the term of this agreement for the rights granted under this Agreement. The annual payment shall be due in advance on or before November 30, 2011, and thereafter on or before November 30 of each year during the term of this Agreement. No portion of the annual payment shall be refunded if Concessionaire terminates this Agreement for any reason other than City default.

L. NEW TECHNOLOGY.

Should technological advances produce new types of vending machine services or changes in customer or DPR preferences require the addition of new varieties of Vending Service machines, then DPR and the Concessionaire will negotiate mutually agreeable fee structures for these new machines.

M. DOLLAR BILL ACCEPTORS AND/OR CHANGERS.

All vending machines will be equipped with dollar bill acceptors or bill changers will be provided. Exceptions will be considered on a case by case basis at DPR's sole discretion.



N. BOXES AND SHIPPING CONTAINERS.

The Concessionaire shall remove all boxes and shipping containers from DPR's property and dispose of these items in an appropriate and legal manner.

O. BUILDING AND PROPERTY KEYS.

DPR shall maintain a system of building and property keys and locks. The Concessionaire shall service vending machines during the hours the various DPR facilities are open to the public. DPR will not furnish the Concessionaire either keys to all facilities or a master key for all facilities.

P. SIGNS.

The Concessionaire shall not install any signs on DPR property without DPR's prior approval.

Q. INCIDENT REPORTING.

In the event of burglary of money and/or vandalism to the machines the Concessionaire shall complete a DPR incident report.

R. LAWS, CODES AND REGULATIONS.

The Concessionaire shall abide by the laws, codes, rules, and regulations of the City of Seattle, the State of Washington, and the United States.

S. INDEMNITY.

As used in this section "City" means and includes the City as a corporate entity and any of its employees, officers, elected officials, and agents. The Concessionaire shall indemnify and hold the City harmless from any and all losses, claims, actions, damages, and expenses arising out of or resulting from the (i) Concessionaire's acts or omissions in or around the Premises, or the acts or omissions of Concessionaire's employees, contractors, agents, and invitees in or around the Premises, (ii) Concessionaires' offering for sale or sale of any item, or (iii) Concessionaire's breach of this Agreement. This indemnification obligation shall survive termination or expiration of this Agreement with respect to any act, omission, breach, or occurrence during the Term of the Agreement. The foregoing indemnity is specifically and expressly intended to and does hereby constitute a waiver of Concessionaire's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to the City and to the extent necessary to provide City with a full and complete indemnity from claims made by Concessionaire and its employees, to the extent of their negligence. Concessionaire shall promptly notify City of casualties or accidents occurring in or about the Premises. **CITY AND CONCESSIONAIRE ACKNOWLEDGE THAT THEY SPECIFICALLY NEGOTIATED AND AGREED UPON THE INDEMNIFICATION PROVISIONS OF THIS SECTION**



T. INSURANCE.

1. Minimum Coverages and Limits Of Liability: The Concessionaire shall submit evidence of minimum levels of current insurance as specified below that would be maintained at Concessionaire's expense at all times during the period of the Agreement:
 - a. Commercial General Liability ("CGL") insurance or equivalent including, including Premises, Products-Completed Operations, Contractual Liability and Stop Gap/Employer's Liability (unless there is no obligation to insure WA State WC) with minimum limits of liability of \$1,000,000 each occurrence combined single limit Bodily injury and property damage ("CSL") except \$1,000,000 Products/Completed Operations and General Aggregate and \$1,000,000 Each Accident/ Disease—Policy Limit/ Disease—Each Employee Stop Gap/Employer's Liability.
 - b. Automobile Liability Insurance for Owned, Non-Owned and Hired Vehicles as appropriate. Minimum limits of liability shall be \$1,000,000 CSL.
2. Terms And Conditions:
 - a. City of Seattle as Additional Insured: The CGL insurance shall include the City of Seattle as an additional insured for primary and non-contributory limits.
 - b. No Limitation of Liability: Insurance coverage and limits of liability as specified herein are minimum coverage and limit of liability requirements only. They shall not be construed to limit the liability of Vendor or any insurer for any claim that is required to be covered hereunder. Moreover, the City shall be an additional insured, where additional insured status is required, for the full available limits of liability maintained by vendor, whether those limits are primary, excess, contingent, or otherwise. Vendor expressly understands and agrees that this provision shall override any limitation of liability or similar provision in any agreement or statement of work between the City and Vendor.
 - c. Claims Made Form: If any policy is written on a claim made form, the retroactive date shall be prior to or coincident with the effective date of this contract. Claims made coverage shall be maintained by the Vendor for a minimum of three years following the expiration or earlier termination of this contract, and the Vendor shall provide the City with evidence of insurance for each annual renewal. If renewal of the claims made form of coverage becomes unavailable or economically prohibitive, the Vendor shall purchase an extended reporting period ("tail") or execute another form of guarantee acceptable to the City to assure financial responsibility for liability assumed under the contract.

- d. Deductibles and Self-Insured Retentions: Any self-insurance retention or deductible in excess of \$25,000 that is not "fronted" by an insurer and for which claims the vendor is responsible (1) must be disclosed, and (2) Vendor shall state in writing that it will defend and indemnify the City under its self-insured or deductible layer and advise to whom a tender of a claim should be directed.
 - e. Notice of Cancellation: Under RCW 48.18.290 (1) (a) and (b) ("Cancellation by insurer") applicable to insurers licensed to do business in the State of Washington, the City, as a certificate holder for the insurance requirements specified herein and an additional insured, has an interest in any loss which may occur; written notice of cancellation must therefore be actually delivered or mailed to the City not less than forty-five days prior to cancellation (ten days as respects non-payment of premium). As respects surplus lines placements, written notice of cancellation shall be delivered not less than thirty days prior to cancellation (ten days as respects non-payment of premium).
 - f. Qualification of Insurers: Insurers shall maintain A.M. Best's ratings of A-VII unless procured as a surplus lines placement under RCW chapter 48.15, or as may otherwise be approved by the City.
 - g. Changes in Insurance Requirements: The City shall have the right to periodically review the adequacy of coverages and/or limits of liability in view of inflation and/or a change in loss exposures and shall have the right to require an increase in such coverages and/or limits upon ninety days prior written notice to the Vendor. Should Vendor, despite its best efforts, be unable to maintain any required insurance coverage or limit of liability due to deteriorating insurance market conditions, it may upon thirty days prior written notice request a waiver of any insurance requirement, which request shall not be unreasonably denied.
3. Evidence of Insurance:
Evidence of insurance consisting of the following shall be issued and delivered to the Department of Parks and Recreation, c/o Contract and Business Resources Administrator, 6310 NE 74th Street, #109E, Seattle, WA 98115, with a copy emailed in pdf or xls format as an attachment to an email to riskmanagement@seattle.gov or faxed to (206) 470-1279.
- a. A certificate of liability insurance evidencing coverages, limits of liability, and other terms and conditions as specified herein;
 - b. An attached designated additional insured endorsement or blanket additional insured wording to the CGL insurance policy.
 - c. At any time upon the City's request, Vendor shall also cause to be timely furnished a copy of declarations pages and schedules of forms and endorsements. In the event that the City tenders a claim

or lawsuit for defense and indemnity invoking additional insured status, and the insurer either denies the tender or issues a reservation of rights letter, Vendor shall in addition cause a complete and certified copy of the requested policy to be timely furnished.

NOTE: CERTIFICATES WITHOUT AN ATTACHED CGL ADDITIONAL INSURED POLICY PROVISION WILL NOT BE APPROVED.

U. LICENSES AND PERMITS.

The Concessionaire shall obtain and maintain at its sole expense all required permits and licenses to conduct business in the City of Seattle and the State of Washington.

V. EQUALITY OF EMPLOYMENT OPPORTUNITY.

Operator's Obligations to Refrain from Discrimination (Equality of Treatment). Without limiting the generality of Section III.R, the Operator shall comply with and shall require its subcontractors to comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Seattle, including but not limited to Chapters 14.04, 14.10, and 20.42 of the Seattle Municipal Code (SMC), as they may be amended from time to time; and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

W. RECORDS AND AUDIT.

The Concessionaire shall store all accounting records documenting its activities under this Agreement in King County, Washington throughout the term of this Agreement for six years after the termination of this Agreement. The Concessionaire shall make these accounting records available to City personnel and auditors during normal working hours and shall cooperate with the City in any audit of these records.

X. STANDARDS.

The Concessionaire, its agents, and employees shall render courteous service to the public with a goal of adding to the public use and enjoyment of the Concession Premises. The Concessionaire shall operate and conduct the facilities on the Concession Premises in a businesslike manner, and will not permit any acts or conduct on the part of the Concessionaire's employees that would be detrimental to DPR's operation of the park or citizen use of the park.

Y. BACKGROUND INVESTIGATION.

The Concessionaire shall provide information requested by DPR about the Concessionaire's personnel for the purposes of a background investigation



required by law for all Concessionaire staff and subcontractors working on the Premises.

Z. PROHIBITED PRODUCTS.

The Concessionaire shall not offer for sale tobacco products, alcoholic beverages or any product in a glass container. In the Superintendent's discretion, other products may be prohibited in swimming pool buildings.

ZZ. NEW ELECTRICAL CONNECTIONS AND SERVICE.

The Concessionaire may at its sole expense and with DPR's prior approval add or modify electrical service for vending machines.

IV. CITY RESPONSIBILITIES.

A. SPACE.

DPR shall provide space on the Premises for the Concessionaire's vending equipment. No storage space for Concessionaire supplies, inactive equipment, or vehicles will be provided on DPR property.

B. ACCESS.

DPR shall provide the Concessionaire with access to the Premises during DPR's usual hours of operation.

C. UTILITIES.

DPR agrees to provide Concessionaire access to existing, currently-available electrical service to operate the Concessionaire's vending machines. Modifications to the existing electrical service may be done by licensed electricians with DPR's prior approval and at the Concessionaire's sole expense. Modifications to the existing water service may be done by licensed plumbers with DPR's prior approval and at the Concessionaire's sole expense. The Concessionaire will not be billed separately for utility usage, as that cost is built into the Concession Fees paid by the Concessionaire to DPR.

D. TRASH REMOVAL.

DPR will provide trash receptacles and recycling bins for vending product cans, single service vending product wrappers, and single service vending product containers discarded by customers. The Concessionaire shall remove all boxes and shipping material from DPR property.

E. NOTIFICATION OF MALFUNCTION.

DPR will monitor customer treatment of machines and will notify the Concessionaire as soon as possible when the equipment is not performing properly. In the event of burglary of money and/or vandalism to the machines, DPR will notify the Concessionaire as soon as possible and the Concessionaire shall complete a DPR incident report. DPR's monitoring and

notification under this section shall not reduce or amend Concessionaire's assumption of the risk of loss or damage to the machines under Section III.G.

F. JANITORIAL SERVICE.

DPR will perform routine housekeeping and janitorial services in the areas around the vending machines.

V. GENERAL TERMS AND PROVISIONS.

A. ASSIGNMENT OF AGREEMENT.

Neither this agreement nor any rights or privileges thereupon shall be assigned by the Concessionaire without prior written approval from DPR.

B. EARLY TERMINATION PROVISIONS.

If the City terminates this Agreement early as permitted under Section II and without default by the Concessionaire prior to the expiration of the term of this agreement, the Signing Bonus referenced in Section K of this agreement will remain in effect and unchanged

C. NOTICES.

Unless otherwise directed in writing, requests, notices, reports, and payments shall be delivered to DPR at the following address:

The City of Seattle Department of Parks and Recreation
Contract and Business Resources
Attention: Dan Iverson, Concessions Coordinator
6310 NE 74th Street #109E
Seattle, WA 98115
Phone (206) 233-0063

And to the Concessionaire shall be delivered to the following address:

Contact Name: Lonnie Hughes
Organization: Canteen Vending
Address: 11410 Beverly Park Rd
Everett, WA 98204
Phone: (425) 290-6767

Either party may change its contact name and address for receipt of reports, notices, or payments and shall give the other party written notice of such change not less than fifteen days prior to the effective date thereof.



D. DEFINITIONS.

As used throughout this Agreement, the following terms shall have the meanings set forth below unless the context clearly indicates a different meaning is intended:

1. PREMISES.

"Premises" shall mean locations on DPR property and within DPR buildings where the Concessionaire is granted the right to place vending machines.

2. CONCESSION FEE.

"Concession Fee" shall mean the monthly payment made by the Concessionaire to DPR for the grant of concession rights received by the Concessionaire in this Agreement.

3. SIGNING BONUS.

"Signing Bonus" shall mean a one-time payment from the Concessionaire to DPR for the concession rights and prestige the Concessionaire derives from its association with DPR.

4. ENERGY STAR.

"Energy Star" shall mean that government-backed program that helps businesses and individuals protect the environment through superior energy efficiency. Energy Star compliant products meet strict energy efficiency guidelines set by the EPA and US Department of Energy.

5. VENDINGMISER.

"VendingMiser" (patented) represents a technology, which significantly reduces energy consumption without compromising the vended product. Utilizing a custom passive infrared sensor, VendingMiser powers down a vending machine when the area surrounding it is unoccupied and automatically repowers the vending machine when the area is reoccupied. VendingMiser's intelligent controller uses fuzzy logic to learn from the habits of the building occupants, and modifies the time-out period accordingly. Additionally, VendingMiser monitors the ambient temperature while the vending machine is powered down. Using this information, VendingMiser automatically powers up the vending machine at appropriate intervals, independent of occupancy, to ensure that the vended product stays cold. VendingMiser also monitors electrical current used by the vending machine. This ensures that VendingMiser will never power down a vending machine while the compressor is running, so a high head pressure start never occurs. In addition, the current sensor also ensures that every time the vending machine is powered up, the cooling cycle is run to completion before

again powering down the vending machine. This unique process also ensures a cold vended product.

6. WASHINGTON STATE LEASEHOLD EXCISE TAX.

"Leasehold Excise Tax" is a tax paid by persons or businesses that use or lease publicly owned property. Real estate and personal property which is owned by a government entity (United States, State of Washington, cities, counties, etc.) is not subject to property tax. When private individuals or businesses use government property they are provided the same governmental services as other taxpayers in the state. The purpose of the Leasehold Excise Tax is to compensate governmental entities for services rendered to lessees of public property.

The current Tax Rate is 12.84 percent and the tax is collected by public entities that lease property to private lessees and is reported by the lessor, herewith identified as DPR, on a unique tax return (Form #86 0058-1) which is filed quarterly. The law also allows the tax to be levied directly against the lessee, which is sometimes done following a leasehold audit.

7. VENDING PRODUCTS:

As used within this Agreement, "Vending Products" shall include frozen food products, packaged nuts, baked chips, snacks, fruits, vegetables, packaged foods, diet sodas, water, various drinks, and popcorn.

E. CLOSURE OF CONCESSION PREMISES.

DPR reserves the right to close the Concessionaire's operation or any portion thereof for the convenience of DPR upon a seven day notice to the Concessionaire and to close the Concession Premises or any portion thereof without notice to meet any emergency as determined by the Superintendent. In the event of any such closure, DPR may post a sign notifying the public of the impending or effective closure.

F. DEMOLITION OF CONCESSION PREMISES.

DPR reserves the power to terminate this Agreement in order to demolish the Concession Premises. DPR will attempt to notify the Concessionaire of such intent in advance.

G. SURRENDER OF PREMISES AND REMOVAL OF PROPERTY.

1. AT TERMINATION OR EXPIRATION.

Upon termination or expiration of this Agreement, the Concessionaire shall surrender the Concession Premises to DPR and promptly surrender and deliver to DPR all keys that it may have to any and all parts of the Concession Premises.



2. **CONDITION OF PREMISES.**

The Concession Premises shall be surrendered to DPR in as good a condition as at the date of execution of this Agreement, except for the effects of reasonable wear and tear, alterations, and repairs made with concurrence of DPR, and property damaged or destroyed by an uninsured peril or an insured peril where insurance proceeds are paid to DPR.

3. **REMOVAL OF EQUIPMENT.**

At the expiration of the term of this Agreement, the Concessionaire shall remove from the Premises, at its sole expense, all trade equipment, trade furnishings, and other personal property owned and placed in or on the Premises by the Concessionaire. In removing its personal property the Concessionaire shall take due care to not damage or injure the Premises. Structural and capital improvements shall not be removed. In the event of earlier termination, the Concessionaire shall have ten days to complete removal of its property from the Concession Premises. In no event shall the Concessionaire make any claim or demand upon the City, nor shall the City be liable, for any inconvenience, annoyance, disturbance, or loss of business or any other damage suffered by the Concessionaire arising out of such removal operation or the required relinquishment of capital improvements in or to the Premises.

4. **FAILURE TO PERFORM.**

In the event that after termination or expiration of this Agreement the Concessionaire has not removed its property and fixtures within the time allowed, DPR may, but need not, remove Concessionaire's personal property and hold it for the Concessionaire, or place the same in storage, all at the expense and risk of the Concessionaire. The Concessionaire shall reimburse DPR for any expense incurred by DPR in connection with such removal and storage. DPR shall have the right to sell such stored property, without notice to Concessionaire, after it has been stored for a period of thirty days or more, the proceeds of such sale to be applied first, to the cost of sale; second, to the payment of the charges for storage; and third, to the payment of any other amounts which may then be due from the Concessionaire to DPR; the balance, if any, shall be paid to the Concessionaire.

H. **LIENS AND ENCUMBRANCES.**

The Concessionaire shall keep the Premises free and clear of any liens and encumbrances arising or growing out of its use and occupancy of the Premises. At DPR's request, the Concessionaire shall furnish DPR written



proof of payment of any item which would or might constitute the basis for such a lien on the Premises if not paid.

I. PHOTOGRAPHS.

Each party hereto may make photographs and motion pictures of the Premises and the activity, people, displays, and exhibits thereon; provided, that in the event such material is to be used for a commercial purpose, prior to making the same the Concessionaire shall obtain the approval of the Superintendent and shall pay to DPR a fee therefore in an amount agreed upon by the Concessionaire and the Superintendent in accordance with applicable provisions of DPR's then-current Fees and Charges Schedule; and prior to using the same, the Concessionaire shall obtain the necessary written releases from every individual affected.

J. WAIVER.

No action other than a written document from DPR so stating shall constitute a waiver by DPR of any breach or default by Concessionaire nor shall such a document waive the Concessionaire's full compliance with the terms and conditions of the Agreement, irrespective of any knowledge DPR may have of such breach, default, or non-compliance. DPR's failure to insist upon full performance or any provision of this Agreement shall not be deemed as consent to or acceptance of such incomplete performance in the future.

K. CAPTIONS.

Captions are for convenient reference only, and do not limit or amplify the language of the paragraph(s) following.

L. CHANGES AND MODIFICATIONS.

The parties hereto reserve the right to amend this Agreement from time to time by mutual agreement in writing. No amendment hereto shall be effective unless in writing and signed by an authorized representative of each of the parties.

M. APPROVALS BY THE DPR OR SUPERINTENDENT.

The granting of approval, consent, or permission or the taking of any other action by the Superintendent pursuant to or in connection with this Agreement does not constitute the taking of any official action, including the granting of approval, by any other City department or official where such action is required by law, ordinance, resolution, or rule or regulation, before Concessionaire may rightfully commence, maintain, or terminate any particular undertaking under this Agreement.



N. CONDITION OF PREMISES.

DPR and Concessionaire acknowledge that they have jointly examined the Premises and the Concessionaire accepts the Premises in their present condition as of the date of commencement of this Concession Agreement.

O. SEVERABILITY.

Should any term, provision, condition, or other portion of this Agreement or any provision of any document incorporated by reference be held invalid, such invalidity shall not affect the other provisions of this Agreement that can be given effect without the invalid provision, and to this end, the remainder shall continue in full force and effect.

P. SUCCESSORS IN INTEREST.

Unless otherwise provided, the terms, covenants, and conditions in this Agreement shall apply to and bind any and all heirs, successors, executors, administrators, and assigns of the parties, all of whom shall be jointly and severally liable with the original contracting party.

Q. NO RELATIONSHIP ESTABLISHED.

DPR shall in no event be construed to be a partner, associate, joint venturer of the Concessionaire, or any party associated with the Concessionaire. The Concessionaire shall not create any obligation or responsibility on behalf of DPR or bind DPR in any manner.

VI. ENTIRE AGREEMENT; EXHIBITS.

This Agreement and Exhibits, if and when fully executed, sets forth the entire agreement of the parties. No other understandings, oral or otherwise may modify the text or an attachment to this Agreement. The following Exhibits are incorporated and made part of this Agreement:

EXHIBIT A. VENDING LOCATIONS

EXHIBIT B. HEALTHY MENU CRITERIA

EXHIBIT C. CANTEEN VENDING SERVICES PROPOSAL

The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

Dan Iverson
DPR Vending Contract 2011 ORD ATT 1
August 8, 2011
Version #4

IN WITNESS WHEREOF, the Concessionaire and the Superintendent have caused this Agreement to be duly executed on the dates indicated below.

CONCESSIONAIRE

Compass Group, USA, Inc. acting by and through its Canteen Vending Services North America Division

Chris Huleck
Division President

Date: _____,

The City of Seattle Department of Parks and Recreation

Christopher Williams
Acting Superintendent

Date: _____,

EXHIBIT A – VENDING LOCATIONS

LOCATION	TYPE OF EQUIPMENT	LOCATION	TYPE OF EQUIPMENT
ALKI COMM CENTER	Beverage	MAGNUSON PARK BLDG	Beverage
ALKI COMM CENTER	SNACK	MAGNUSON COMM CTR	Beverage
AMY YEE TENNIS CENTER	Beverage	MAGNUSON COMM CTR	SNACK
AMY YEE TENNIS CENTER	SNACK	MEADOWBROOK COMM CTR	Beverage
BALLARD COMM CENTER	SNACK	MEADOWBROOK COMM CTR	SNACK
BALLARD COMM CENTER	SNACK	MEADOWBROOK POOL	Beverage
BALLARD POOL	Beverage	MEADOWBROOK POOL	Beverage
BITTERLAKE COMM. CENTER	Beverage	MEADOWBROOK POOL	SNACK
BITTERLAKE COMM. CENTER	SNACK	MEDGAR EVERS POOL	Beverage
COLMAN POOL	Beverage	MEDGAR EVERS POOL	SNACK
COLMAN POOL	SNACK		
DELRIDGE COMM CENTER	Beverage	MILLER COMM CENTER	Beverage
DELRIDGE COMM CENTER	SNACK	MILLER COMM CENTER	SNACK
DENSMORE MAINTENANCE	Beverage	MONTLAKE COMM CENTER	Beverage
DENSMORE MAINTENANCE	SNACK	MONTLAKE COMM CENTER	SNACK
DEXTER BUILDING	Beverage	MOUNGER POOL	Beverage
DEXTER BUILDING	SNACK	MOUNGER POOL	SNACK
GARFIELD COMM CENTER	Beverage		
GARFIELD COMM CENTER	SNACK	NORTHGATE COMM CENTER	COMBO
GREENLAKE COMM CENTER	Beverage	QUEEN ANN COMM CENTER	BEVERAGE
GREENLAKE COMM CENTER	SNACK	QUEEN ANN COMM CENTER	SNACK
GREENLAKE ROWING	Beverage	QUEEN ANN POOL	Beverage
GENESSEE MAINT.	Beverage	QUEEN ANN POOL	SNACK
GENESSEE MAINT.	SNACK	RAINIER BEACH COMM CTR	Beverage
HIA WATHA COMM CENTER	Beverage	RAINIER BEACH COMM CTR	SNACK
HIA WATHA COMM CENTER	SNACK	RAINIER COMM CENTER	Beverage
HIGH POINT COMM CENTER	Beverage	RAINIER COMM CENTER	SNACK
HIGH POINT COMM CENTER	SNACK	RAVENNA-ECKSTEIN COMM CTR	Beverage
INTERNATIONAL DISTRICT	Beverage	RAVENNA-ECKSTEIN COMM CTR	SNACK
INTERNATIONAL DISTRICT	SNACK	SAND PT YMCA	Beverage
JEFFERSON COMM CENTER	Beverage	SAND PT YMCA	SNACK
JEFFERSON COMM CENTER	SNACK	SEATTLE PARKS RDA BLDG	Beverage
LAKE WASHINGTON ROWING	Beverage	SEATTLE PARKS RDA BLDG	SNACK
LANGSTON HUGHES	Beverage		
LAURELHURST COMM CENTER	Beverage		
LAURELHURST COMM CENTER	SNACK	SOUTH PARK COMM CTR	Beverage
LAURELHURST GYM	Beverage	SOUTH PARK COMM CTR	SNACK
LAURELHURST GYM	SNACK		
LINCOLN PARK FACILITY	Beverage	SW COMM CENTER	Beverage
LINCOLN PARK FACILITY	SNACK	SW COMM CENTER	SNACK
LOWER WOODLANDS	Beverage		
LOYAL HEIGHTS COMM CTR	Beverage	SW COMM CENTER	Beverage
LOYAL HEIGHTS COMM CTR	SNACK	WEST BRIDGE MAINTENANCE	Beverage

Dan Iverson
DPR Vending Contract 2011 ORD ATT 1
August 8, 2011
Version #4

MADISON POOL	Beverage
MADISON POOL	SNACK
MAGNOLIA COMM CTR	Beverage
MAGNOLIA COMM CTR	Beverage

WEST BRIDGE MAINTENANCE	SNACK
WEST SEATTLE STADIUM	Beverage
VAN ASSELT CC	Beverage
VAN ASSELT CC	SNACK
YESLER COMM CTR	Beverage
YESLER COMM CTR	SNACK

EXHIBIT B – HEALTHY MENU CRITERIA

Snacks (See portion sizes and rationale)

Healthiest	Healthier	Excluded
Animal crackers, graham crackers	Granola bars, whole-grain fruit bars	Cookies (including low fat)
		Candy, candy bars, chocolate bars, toaster pastries, marshmallow/cereal treats
	Baked chips, corn nuts, rice cakes, cereal/nut mix	Regular chips, cheese-flavored crackers, cracker sandwiches
Nuts and seeds – plain or with spices	Nuts with light sugar covering; honey roasted	Candy- or yogurt-coated nuts
*Trail mix – plain	Popcorn/nut mix	Trail mix with chocolate, yogurt or candy
Fresh fruit, canned or individually packed fruit – light syrup or natural juices only		Canned or aseptic-packed fruit in heavy syrup
Dried fruit – raisins, dried cranberries	100% dried fruit snacks and fruit leathers	Candy- or sugar-coated dried fruit Fruit-flavored snacks
	Pretzels – any flavor	Candy- or yogurt-coated pretzels
Fat-free popcorn	Light popcorn	Popcorn – Butter, butter lovers, movie style
Beef jerky - 95% fat free		Sausages, pork rinds
Yogurt, preferably non-fat, low-fat or light		
	Sugar-free gelatin and fat-free pudding	

*Trail mixes can vary and should be reviewed prior to selecting for vending product

Beverages (See portion sizes and rationale)

Healthiest	Healthier	Excluded
Milk, non-fat or low-fat (1%)	'Flavored' milk, non-fat or 1%	
Juice – fruit or vegetable that contains 100% juice		
Water, pure	**Flavored or vitamin-enhanced fitness water, sparkling water	herb-infused waters and caffeinated waters
	low-cal iced tea and diet sodas	Regular sodas and sports drinks

*Portion Size - Portion size is not defined for any items, but smaller portion sizes are preferred.



Healthiest – must meet both criteria:

- 3 grams of Total Fat or fewer per serving (Nuts and seeds exempt from restrictions.)
- 30 grams of Carbohydrates or fewer per serving (All candies are considered unhealthy. Fruit in any form is permitted, regardless of carbohydrate count).

Healthier – must meet both criteria:

- 5 grams of Total Fat or fewer per serving (Nuts and seeds exempt from restrictions.)
- 30 grams of Carbohydrates or fewer per serving (All candies are considered unhealthy. Fruit in any form is permitted, regardless of carbohydrate count).

Rationale – Snacks*

- Fat: It was determined not to differentiate saturated fat from unsaturated fat. When total fat is considered, saturated fat tends to be low.
- Nuts and seeds: Nuts and seeds are exempt from the fat guidelines, because they are high in monounsaturated fat, which can help lower “bad” LDL cholesterol and maintain “good” HDL cholesterol. Nuts and seeds have been shown in many studies to reduce the risk of having a heart attack.
- Carbohydrates: The level of carbohydrates was set at 30 grams per serving to include more food items. All candies are considered unhealthy, regardless of carbohydrate content.
- Fruit: Fresh fruit is best, but fruit in any form (canned, fresh, and dried) was not restricted by carbohydrate standards because it provides vitamins, minerals, antioxidants and dietary fiber that are beneficial to an overall balanced diet.
- Portion size: Portion size is not defined, because there is variability among products. However, the preference is for smaller-portioned products.

Rationale – Beverages

- Milk in any form provides vitamins and minerals, but the low-fat and non-fat versions are preferred. Flavored milks are permitted.
- Water: Pure water is preferred, but water that is flavored maybe more attractive to someone who doesn’t drink plain water. The vitamin-enhanced waters may benefit people with such nutritional needs, although pure water is the healthiest choice.
- Juice: Fruit and vegetable juices should contain 100 percent juice.
- Carbonation and caffeine: Carbonation in moderation does not have a significant effect on nutrition. Avoid caffeine-some low and non caffeine drinks may be considered. Carbonated low-calorie beverages may be another option for people who don’t like milk or plain water.
- Low-calorie: Beverages containing 50 calories or fewer per 12 oz serving were deemed healthier options.

**Portion sizes for juice is 6 ounces and for flavored milks is 8 ounces.



Dan Iverson
DPR Vending Contract 2011 ORD ATT 1
August 8, 2011
Version #4

- Healthiest
 - Milk – Low fat (1%) or Non-fat
 - Water
 - Juice – 100% fruit or vegetable juice
- Healthier
 - Water – Flavored or vitamin enhanced
 - Low-Calorie Beverage or diet sodas



EXHIBIT C CANTEEN VENDING SERVICES PROPOSAL

Vending Services Proposal

City of Seattle

Department of Parks and Recreation

February 2011

CANTEEN,
11410 Beverly Park Rd
Everett, WA 98204

Greetings!

We at Canteen Vending are pleased to have had the opportunity to serve Seattle Parks since our acquisition of Summit Vending last May. In particular we're thankful for the helpfulness shown by Department staff and their patience as we encountered a few hurdles early in our partnership. We've prepared what we believe is a great solution in response to your RFP and very much appreciate your consideration. Here are a few key differentiators we hope you'll appreciate-

We believe that a quick review of commissions paid before and after the transition will demonstrate the seriousness with which we approach the financial agreements we make. **Simply put, no other vending organization in our market offers greater transparency and integrity in honoring its commission payment responsibilities.**

We recently finished a conversion to managing our product selections by SKU (stock-keeping unit), enabling sales tracking for every product in each of our machines and custom merchandising at the individual machine level. Going forward, we will be able to access sales data from your locations as well as similar accounts throughout the Northwest and pick the very best selling products to merchandise in your snack and beverage vendors based on sophisticated analytics. We expect a solid 10-20% sales lift- Early results have been nothing short of remarkable.

Our route drivers are Teamsters who earn very competitive wages and great benefit packages including health insurance, pension, profit sharing and vacations. Many of our competitors offer no benefits whatsoever. We believe in maintaining a mutually respectful, positive work environment where morale is high and turnover low. Happy people = happy customers!

Thank you for your consideration. We look forward to serving Seattle Parks for years to come.

Sincerely,

John Connolly

District General Manager

REQUEST FOR PROPOSALS (RFP)
VENDING SERVICES

SECTION 3

RFP QUESTIONNAIRE

Please note that this section of the RFP must be returned as the basis for your Proposal

Return all the pages contained in this Questionnaire in the exact order they are contained herein. Insert additional pages to clarify your responses as necessary immediately after the Questionnaire page.

Please be certain to complete, sign and enclose the financial proposal form.

Please note that this section of the RFP must be returned as the basis for your Proposal.

1. LEGAL NAME OF ORGANIZATION, FIRM, LLC, INDIVIDUAL OR PARTNERSHIP
SUBMITTING THIS RFP: _____

2. ADDRESS OF THE PROPOSER'S PRINCIPAL PLACE OF BUSINESS:

Address: _____ City: _____
_____ State: _____

3. ADDRESS OF THE PROPOSER'S SEATTLE AREA LOCATION THAT WILL BE THE BASE
OF SERVICES FOR THE SERVICES CONTAINED IN THIS PROPOSAL:

Address: _____
City: _____ State: _____ Zip: _____

4. THE PERSON ON YOUR STAFF WHO WILL BE THE PRIMARY CONTACT FOR THIS

RFP: Name: _____ Title: _____

Phone: _____ Email address: _____

Address (If Different): _____

City: _____ State: _____ Zip: _____

5. PROPOSED CONCESSION SERVICES. A. Provide descriptions, drawing, pictures
and/or specifications for the proposed vending equipment.

Provide product name, portion size and selling price for all vended items in accordance to the DPR
Health standards referenced in Section III, B of the Sample Agreement.

Clearly indicate these products using the following format:

MENU ITEM	PORTION SIZE	PRICE	DESCRIPTION
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____

1. LEGAL NAME OF ORGANIZATION

Canteen Vending, division of Compass Group, North American Division

2. PRINCIPAL PLACE OF BUSINESS

2400 Yorkmont Road
Charlotte, NC 28216

3. LOCATION PROVIDING SERVICES

11410 Beverly Park Road
Everett, WA 98204

4. PRIMARY CONTACT

John Connolly
District General Manager
(425)290-6767

John.connolly@compass-usa.com

5. PROPOSED CONCESSION SERVICES

A. Equipment

As the incumbent vendor, Canteen recognizes that some of the equipment currently deployed is either no longer visually appealing or as reliable as would be desirable. Thus, we will replace all beverage machines with new or "as new" units, and would simultaneously reface or replace any other machines as needed to improve their visual appeal and minimize service outages. Locations with high volumes will receive new, higher capacity machines to reduce out-of-stocks, provide a greater range of selections, and improve sales.

In doing so, we will ensure all equipment provided is Energy Star rated or equipped with Energy Misers per the Department's requirements. To the extent possible, we will also deploy equipment using LED rather than florescent or incandescent lighting, to further maximize energy efficiency.

A recent innovation in our industry is the advent of cellular-based credit/debit card reader technology. As the average customer is less likely to carry cash than ever before, the ability to handle card-based transactions significantly enhances customer satisfaction while adding as much as 15% in incremental sales. Fully compliant with PCI (Payment Card Industry) requirements, our card readers will work anywhere with good cellular coverage.

Canteen will install readers in all machines with monthly volumes of three hundred dollars or more and unlike most of our competitors we do not add any usage fees to the end user. We will work with the Parks Department on other credit card reader placements that may be requested.

B. Products

Following is a listing of products we carry which meet or exceed the Department's criteria. We've added a column indicating whether each product meets the Healthier or Healthiest standard, or is exempt. We strongly support the Department's health goals and will develop planograms which provide a broad range of product choices. We will happily work with individual sites to ensure our offerings meet the needs of each locale.

Fortunately, a "healthy revolution" of sorts has occurred in recent years leading to a much broader range of healthful products available to our industry than ever before. Canteen is proud to be a leader in bringing healthy products to vending and has been at the forefront of this shift for over a decade.

Several items listed (dried fruit, for example) are more costly than others and typically are found at premium at stores such as Whole Foods or Starbucks. We've priced these items in line with other retailers of premium natural products. If the Department prefers lower prices, we're happy to negotiate pricing and commissions rates which meet its goals.

It appeared that herb-infused products were disallowed. We assumed this was to exclude tea-based items. There are a number of great organic tea-based items available which we'd like to offer if allowable. If not, we'll certainly exclude them.

In keeping with the Department's criteria that juice containers be limited to six ounces, we included only one line of products (Welches) that exceeds the standard (5 oz can). There are many other lines available in small portions, some of which present vending challenges due to packaging. Should we be selected, we will work with the Department to ensure acceptable, attractive juice products are provided. As a guide, we have targeted pricing at or below current convenience store pricing in the Seattle market, and, of course, no sales tax is added to the price of vended items.

Snack Items:

Menu Item	Ounces	Grams	Price	Criteria	Fat (g)	Carb (g)	Description
100 Calorie Chips Ahoy Thin Crisps	.81 oz		1.00	healthiest	3	18	Low cal snack
100 Calorie Oreo Thins	.81 oz		1.00	healthiest	2	19	Low cal snack
100 Calorie Pack Cheese Nips Thin Crisps	.74 oz		1.00	healthiest	3	15	Low cal snack
100 Calorie Pack Honey Maid Cinnamon Crisps	.74 oz		1.00	healthiest	3	16	Low cal snack
100 Calorie Pack Planters PB Cookie Crisps	.81 oz		1.00	healthiest	3	17	Low cal snack
100 Calorie Ritz Snack Mix	.77 oz		1.00	healthiest	3	16	Low cal snack
ATHENOS Baked Pita Chips Garlic & Herb	1.5 oz	42.5 g	1.00	healthiest	0	29	Baked
ATHENOS Baked Pita Chips Whole Wheat	1.5 oz	42.5 g	1.00	healthiest	0	29	Baked
Baked Cheetos Crunchy	.875 oz	24.81	1.00	healthier	4.5	17	Baked
Baked Cheetos Flamin Hot	.875 oz	24.81	1.00	healthier	4.5	17	Baked
Baked Lays BBQ	1.125 oz	31.89	1.00	healthier	3.5	25	Baked
Baked Lays Cheddar Sour Cream	1.125 oz	31.89	1.00	healthier	4	25	Baked
Baked Lays Doritos Nacho Cheese	1.375 oz	38.98	1.00	healthier	5	29	Baked
Baked Lays Regular	1.125 oz	31.89	1.00	healthiest	1.5	26	Baked
Baked Lays Sour Cream and Onion	1.125 oz	31.89	1.00	healthiest	3	24	Baked
Barnum's Animals Crackers	1 oz		1.00	healthier	3.5	22	Baked
Blue Diamond Almonds	1.5 oz	43	1.00	exempt			Salted
CLIF Z Bar Chocolate Chip	1.27 oz		1.25	healthier	4	24	Bar
Fat Free Fig Newton's	2.1 oz		1.00	healthiest	0	22	Bar
Fiber One Bar/Oats and Chocolate	1.4 oz		1.00	healthier	4.0	29	Bar
Fig Newton's	2 oz		1.00	healthier	4	39	Bar
Honey Maid Cinnamon Sticks	1.75 oz		1.00	healthier	4.5	40	Low cal snack
Jack Link's Beef Jerky- Hickory	1 oz	28	1.50	healthiest	1	5	High protein/low fat
Jack Link's Beef Jerky- Jalapeno	1 oz	28	1.50	healthiest	1	5	High protein/low fat
Jack Link's Beef Jerky- KC Masterpiece	1 oz	28	1.50	healthiest	1	5	High protein/low fat
Jack Link's Beef Jerky- Original	1 oz	28	1.50	healthiest	1	5	High protein/low fat
Jack Link's Beef Jerky- Peppered	1 oz	28	1.50	healthiest	1	4	High protein/low fat
Jack Link's Beef Jerky- Sweet Thai	1 oz	28	1.50	healthiest	1	6	High protein/low fat
Jack Link's Beef Jerky- Sweet/Hot	1 oz	28	1.50	healthiest	1	5	High protein/low fat
Jack Link's Beef Jerky- Teriyaki	1 oz	28	1.50	healthiest	1	5	High protein/low fat
Kashi Granola Bar- Cherry Dark Chocolate	1.2 oz	35	1.25	healthiest	2	24	Bar
Kashi Granola Bar- Honey Almond Flax	1.2 oz	35	1.25	healthier	5	19	Bar
Kashi Granola Bar- Peanut Peanut Butter	1.2 oz	35	1.25	healthier	5	19	Bar
Kashi Granola Bar- Trail Mix	1.2 oz	35	1.25	healthier	5	20	Bar
Mango Pineapple Trail Mix (Unsalted)	1.5 oz	43	1.00	exempt	7	27	Dried Fruit with nuts
Mr Nature- Raisins	1 oz		1.00	exempt	0	20	Dried fruit
Mr Nature- Selected Fruit Mix	2 oz		1.5	exempt	1	23	Dried fruit
Mr Nature- Unsalted Trail Mix	1.1 oz		1.00	exempt	7	14	Dried Fruit with nuts
Mr Nature- Unsalted Trail Mix	2 oz		1.5	exempt	6	13	Dried Fruit with nuts
Nabisco Animal Crackers	1 oz		1.00	healthier	4	21	Baked
Nature Valley Granola Bar/Chewy Trail Mix	1.2 oz		1.00	healthier	4	25	Bar
Newton Fruit Crisps - Mixed Berry	1 oz		1.00	healthiest	2	20	Fruit chips

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Newtons Fruit Crisps - Apple Cinnamon	1 oz		1.00	healthiest	2	20	Fruit chips
Nutri-Grain Yogurt Bar- Strawberry	1.3 oz	37	1.00	healthiest	3	26	Bar
Original Trail Mix	1.5 oz	43	1.00	exempt	13	18	Dried Fruit with nuts
Peanuts Salted	1 oz	28	1.00	exempt	16	4	Nuts
Peeled Snacks Organics- Apple to the Core		35	2.00	exempt			Dried Fruit
Peeled Snacks Organics- Apricot-a-lot		41	2.00	exempt			Dried Fruit
Peeled Snacks Organics- Cherry-go-round		42	2.00	exempt			Dried Fruit
Peeled Snacks Organics- Much ado about mango		40	2.00	exempt			Dried Fruit
Peeled Snacks Organics- Raisin Expectations		40	2.00	exempt			Dried Fruit
Pepperidge Farm- 100 Cal Ranch Goldfish	0.75 oz		1.00	healthiest	3	14	Low cal snack
Pepperidge Farm- 100 Calorie Cheddar Goldfish	0.75 oz		1.00	healthiest	3.5	14	Low cal snack
Pepperidge Farm- 100 Calorie Pretzel Goldfish	0.75 oz		1.00	healthiest	1.5	17	Low cal snack
Pirate's Booty	1 oz		1.50	healthier	5	18	Popped
PLANTERS Salted Peanuts	1 oz		1.00	exempt	14	5	nuts
Pop Chips- Barbeque	1 oz	28	1.50	healthier	4	20	Popped, Potato
Pop Chips- Cheddar	1 oz	28	1.50	healthier	4	20	Popped, Potato
Pop Chips- Original	1 oz	28	1.50	healthier	4	20	Popped, Potato
Pop Chips- Parmesan/Garlic	1 oz	28	1.50	healthier	4	20	Popped, Potato
Pop Chips- Salt/Pepper	1 oz	28	1.50	healthier	4	20	Popped, Potato
Pop Chips- Sea Salt/Vinegar	1 oz	28	1.50	healthier	4	20	Popped, Potato
Pop Chips- Sour Cream/Onion	1 oz	28	1.50	healthier	4	20	Popped, Potato
Quaker Breakfast Cookie Oatmeal Raisin	1.7 oz	48.2	1.00	healthier	4.5	33	Cookie
Quaker Chewy 90 Calorie Granola Bar Choc	0.84 oz	23.8	1.00	healthiest	2	19	Bar
Quaker Chewy 90 Calorie Granola Bar Oat/raisin	0.84 oz	23.8	1.00	healthiest	1.5	19	Bar
Quaker Chewy 90 Calorie Granola Bar Peanut	.84 oz	23.8	1.00	healthiest	2	18	Bar
Quaker Chewy 90 Calorie Granola Bar Strawberry	.84 oz	23.8	1.00	healthiest	1.5	19	Bar
Quaker Granola Bar Lowfat Smores	.84 oz	23.8	1.00	healthiest	2	19	Bar
Quaker Oatmeal to Go Bar Apples and Cinn	1.4 oz	39.7	1.00	healthiest	2.5	29	Bar
Quaker Oatmeal to Go Bar Brown Sugar Cinn	1.4 oz	39.7	1.00	healthiest	2.5	29	Bar
Quaker Oatmeal to Go Bar Oatmeal Raisin	1.41 oz	39.69	1.00	healthiest	2.5	29	Bar
Quaker Reduced Sugar Granola Bar Cookies/Crm	.84 oz	23.8	1.00	healthiest	2.5	18	Bar
Quaker Simple Harvest Multigrain Apple	1.23 oz	35.00	1.00	healthiest	3	28	Rice based
Quaker Snack Mix Kids	.675 oz	24.81	1.00	healthier	4	18	Baked
Quakes Rice Cake Mini Cheddar	.87 oz	15	1.00	healthiest	3	14	Rice based
Raisins	1 oz	28	1.00	exempt	0	22	Dried fruit
RF Doritos Cooler Ranch	1 oz	28.35	1.00	healthier	5	19	Reduced fat
RF Doritos Nacho Cheese	1 oz	28.35	1.00	healthier	5	19	Reduced fat
RITZ Toasted Chips - Original	.75 oz		1.00	healthiest	3	15	Low cal snack
Rold Gold Pretzels Heartzels	1 oz	28.35	1.00	healthiest	1	23	Reduced carb
Salted Cashews	1 oz	28	1.00	exempt	14	9	Nuts
Smartfood Reduced Fat White Cheddar Popcorn	7/8 oz	24.8	1.00	healthier	5	15	Popcom
Snikkiddy Natural Baked Cheddar Fries	1 oz	28	1.00	healthier	4.5	20	Baked
Snikkiddy Natural Baked Southwest Cheddar Fries	1 oz	28	1.00	healthier	4.5	20	Baked
Special K Bar - Blueberry	.81 oz	23	1.00	healthiest	1.5	18	Bar
Special K Bar - Chocolate	.8 oz	22	1.00	healthiest	1.5	17	Bar
Special K Bar - Honey Nut	.77 oz	22	1.00	healthiest	2	16	Bar

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Special K Bar - Strawberry	.81 oz	23	1.00	healthiest	1.5	18	Bar
Special K Bar - Vanilla Crisp	.78 oz	22	1.00	healthiest	1.5	17	Bar
Teddy Grahams Chocolate	.75 oz		1.00	healthiest	3	15	Low cal snack
Teddy Grahams Cinnamon	1 oz		1.00	healthier	4	21	Low cal snack
Whole Earth Kettle Corn	1 oz	28	1.00	healthier	5	19	Organic



Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Beverage Items:

Menu Item	Ounce	Servings	Cal/srvg	Price	Description
Darigold Fat Free Milk	8	1	n/a	1.25	Bottle
Darigold 1 % Chocolate Milk	8	1	n/a	1.25	Bottle
Darigold 1% Strawberry Milk	8	1	n/a	1.25	Bottle
Welches Apple Juice	5	1		0.80	100% juice (can)
Welches Orange Juice	5	1		0.80	100% juice (can)
Welches Grape Juice	5	1		0.80	100% juice (can)
V8 Vegetable Juice	5.5	1		0.80	100% juice (can)
Vitamin Water Zero- Revitalize (Green Tea)	20	1		2.00	Enhanced Water
Vitamin Water Zero- XXX (Acai/Blueberry/Pomegranate)	20	1		2.00	Enhanced Water
Vitamin Water Zero- Squeezed (Lemonade)	20	1		2.00	Enhanced Water
Vitamin Water Zero- Rise (Orange)	20	1		2.00	Enhanced Water
Vitamin Water Zero- Mega C (Grape/Raspberry)	20	1		2.00	Enhanced Water
Vitamin Water Zero- Recoup (Peach/Mandarin)	20	1		2.00	Enhanced Water
Vitamin Water Zero- Go-Go (Mixed Berry)	20	1		2.00	Enhanced Water
Powerade Zero Sports Drink- Strawberry	20	1	0	2.00	Vitamin B Enhanced
Powerade Zero Sports Drink- Grape	20	1	0	2.00	Vitamin B Enhanced
Powerade Zero Sports Drink- Mixed Berry	20	1	0	2.00	Vitamin B Enhanced
Powerade Zero Sports Drink- Fruit Punch	20	1	0	2.00	Vitamin B Enhanced
Honest Tea Organic Zero- Passion Fruit Green Tea	16.9	2	0	2.25	Stevia sweetened
Dasani Filtered Water	12	1	0	1.00	
Dasani Filtered Water	20	1	0	1.50	
Smartwater	20	1	0	2.00	Electrolyte Enhanced
Caffeine Free Diet Coke	12	1	0	1.00	Can
Caffeine Free Diet Coke	20	1	0	1.50	Bottle

Please note that this section of the RFP must be returned as the basis for your Proposal.

C. Describe your experience in vending healthy products. Describe in particular how you plan to foster healthy menu selections and supportive point-of-sale materials.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Use additional pages immediately after this page if additional space is required.



C. Experience Vending Healthy Products

Canteen has been at the forefront of the healthy vending revolution, providing a broad range of options to its customers and using its position as the industry leader to push manufacturers to provide a greater spectrum of healthful products. Over ten years ago we introduced our Balanced Choices program which provides wholesome products meeting strict dietary criteria to thousands of vending locations nationwide and hundreds within the Seattle service area.

Recently Canteen launched 2BU- a unique approach to vending offering premium snack and beverage items typically found in stores such as Whole Foods. Many firms and institutions have brought Wellness Directors aboard and the definition of "healthy vending" is in flux. In response to frequent requests from Wellness Directors and nutritionists, 2BU items are selected based on meeting criteria such as: locally sourced, vegan, organic, kosher, and gluten-free. 2BU was developed here in the Pacific Northwest and has experienced explosive growth nationally since its launch in late 2009. We have over fifty 2BU machines in the Seattle market, at colleges and progressive accounts such as Amazon.com.

The items listed in this response include many from both our Balanced Choices and 2BU product groups, as well as others meeting the Department's unique criteria. While "healthy" items have historically been less popular than their traditional counterparts, this gap is shrinking due to increased nutritional awareness and greater variety of quality healthful products. Canteen will continue its efforts to satisfy the dietary preferences of its diverse customer base.

As part of Canteen's commitment to its customers, we maintain a team whose mission is to identify any product recalls which may affect our customers and aggressively cascade this critical information to the field. We then have protocols in place to ensure all affected product

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DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

is quickly removed from the field. We're proud of this capability and see it as a key differentiator, unequalled by our competition.

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Page 29 of 34 EXH C to ATT 1 DPR Vending Contract 2011



D. Warehouse and Repair Facility

Canteen maintains facilities in Everett, Federal Way and Fife, serving the greater Seattle-Tacoma region. Seattle Parks will be serviced by our Everett team, based in a 16,000 square foot building near Paine Field.

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Our Everett facility is USDA licensed and inspected, providing substantial ambient, refrigerated and frozen warehouse space. We have a four-member warehouse team who ensure proper product handling and stock rotation.

Our Everett customer service team includes 30 route drivers supervised by four managers whose territories are geographically assigned. Other groups include a team of four dedicated equipment service technicians and an accounting team of five led by a District Accounting

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Manager. A General Manager leads the branch team. In addition to product storage and office areas, we have over five thousand square feet dedicated to equipment preparation, repair and storage.

Please note that this section of the RFP must be returned as the basis for your Proposal.

E. When are service and repair personnel available?

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Use additional pages immediately after this page if additional space is required,

E. Service And Repair Personnel Availability

Customers calling our service 800 number reach our dispatchers who are trained to capture all relevant information in our call tracking system, One Ticket. Calls are dispatched to technicians based on geographic assignments. One Ticket serves as a database for maintaining service history by machine and location. Technicians are required to provide ticket resolution updates so that each individual case can be referred to should a need arise. Service is

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

available 24/7/365. While we request that non-emergency service occur during business hours, we're always available to ensure our customers are well taken care of.

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Please note that this section of the RFP must be returned as the basis for your Proposal.

F. What vending machines, parts and spares can you have access locally?

Use additional pages immediately after this page if additional space is required,

F. Machines, parts and spares

Our technicians are manufacturer-trained and assigned vans fully stocked with commonly used parts. Our Everett shop maintains a parts inventory valued at over one hundred thousand dollars- second to none in our market.

Beyond that, we have unlimited have access to any needed parts though our internal service network, equipment manufacturers, and 3rd party aftermarket vendors. We stock more parts locally than any of our competitors and maintain Our Everett facility houses well over a hundred vending machines of all types, providing us the flexibility to make equipment lineup changes as needed in the field. Additionally, our sister offices in Washington State and Oregon are a call away in the odd chance we have trouble locating a part or machine.

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Please note that this section of the RFP must be returned as the basis for your Proposal.

G. How will you handle refunds? Please be advised that no DPR or City staff will handle any aspect of your refund procedure.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

G. Refund Handling

Every machine will have a sticker indicating our 800 number, 1-800-527-0108. Customers are asked to provide name, address, amount lost, and machine location. Our office staff processes refund requests daily. Refund checks are mailed to the address provided. It's our belief that timely handling of refunds is an essential element of customer service.

DO NOT INCLUDE MATERIALS THAT HAVE NO BEARING ON YOUR RESPONSE TO THIS RFP. IF PICTURES, BROCHURES, FLYERS, ETC. ARE ENCLOSED, THEN PLEASE BE CERTAIN THAT THE DIRECT CONNECTION BETWEEN THESE ENCLOSURES AND TO THE PROPOSED SERVICES FOR THE DEPARTMENT IS CLEARLY EXPLAINED.

Please note that this section of the RFP must be returned as the basis for your Proposal.

6. VENDING SERVICES FINANCIAL PROPOSAL

Canton Vending ("Proposer"), organized under the laws of the State of Delaware, hereby submits to the City of Seattle ("City") this Financial Proposal in response to the Request For Proposals ("RFP") for Vending Services, as issued by the City. The Proposer warrants and certifies that it has read and understands the following RFP documents, including all the RFP process and instructions, the Contract provisions and all exhibits.

The Proposer further warrants and certifies that it has read and understands the Concession Contract for the proposed services and the scope of Concessionaire obligations specified therein. The Proposer understands that all capitalized terms used but not defined herein have the meaning provided in the Contract(s).

NOW, THEREFORE, based upon the foregoing, the Proposer offers:

- A. To obtain (unless already a licensed Washington State business) a Certificate of Authority to Transact Business from the Washington Secretary of State's Office prior to signing the Contract;
- B. To provide the specified concession services in accordance with our service Proposal, this Financial Proposal form, the Contract and all other RFP requirements; and
- C. To sign the Contract and fulfill the Concessionaire obligations specified therein, including but not limited to, the monthly Concession Fee(s) payable to the City.

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

- D. To pay the following Concession Fee(s) to the City for Vending Services:
The undersigned hereby designates: John Connolly as the contact person to whom
Notices of Selection and Award may be mailed, facsimiled or delivered.
Enclosed is cash, a certified check, cashier's check or Proposal Bond in the amount of Twenty Thousand
Dollars (\$20,000.00) total. Checks shall be payable to the City of Seattle.
Receipt of Addenda Nos. 1 through _____ to the RFP package is acknowledged.

Our/my financial offer to the City is:
Percent of vending sales 22% / 23% (write in the percentage. Example 23.5 %) and write out the
percentage Twenty Seven Percent - Rev (Example twenty three and one half percent).

Our/my proposed signing bonus or annual payment to the City
is: Twenty Two Percent - \$22K
\$15,000 (fifteen thousand dollars) signing bonus plus
a \$35,000 (thirty five thousand dollars) advance on
commissions payable upon signing.

Other possible in-kind services, investments or other contributions to DPR as part of your Proposal:

Signed this _____ day of _____, 2011,

PROPOSER: _____

AUTHORIZED SIGNATURE _____

TITLE: _____

ADDRESS: _____

TELEPHONE: _____

FAX: _____

If the Proposer is a Partnership or Joint Venture, indicate such status below:

END OF QUESTIONNAIRE



**Canteen Vending
CLIENT REFERENCES**

Shoreline School District

Darryl Reed, Purchasing

(206)393-4208

darryl.reed@shorelineschools.org

Julie Norman, Director, Nutrition & Food Services
425-640-4323

jnorman@stevenshospital.org

Swedish Medical Center

Candace Johnson, Director Nutrition Services

206-386-2158

candi.iohnson@swedish.org

Bellevue Parks

Dan Lassiter, Community Services Supervisor
425-452-7686

dlassiter@bellevuewa.gov

Everett Parks

Jeff Price, Business Manager

(425)257-7314

jrpicePci.everett.wa.us

Seattle Housing Authority

Lorraine Crummer, Housing Operations

(206)615-3515

IcrummerPseattlehousing.org

Jan Iverson

DPR Vending Contract 2011 ORD EXH C to ATT 1

July 28, 2011

Version #1

**Canteen Vending
CREDIT REFERENCES**

DUNS NUMBER

61-170-1327

BANK REFERENCES

Bank of America Credit Inquiry Services

SC3-250-02-43

P.O. Box 100289

Columbia, South Carolina 29202-3289

Credit Inquiry Phone # 803-765-4882

Credit Inquiry Fax # 803-765-4851

Courier Packages Mailing Address:

Bank of America Credit Inquiry Services

SC3-250-02-43

121 Moore Hopkins Lane

Columbia, South Carolina 29210

MAJOR SUPPLIERS

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Pepsi Cola Company
1100 Reynolds Boulevard Winston-Salem, NC 27105 Refer to Customer #
2720773 Phone #1-800-789-2626
FAX #336/896-6312
ATTN: Suzanne Weber
(for Canteen Operations Only)

Automatic Products, Inc.
75 West Plato Boulevard
St. Paul, MN 55107 Laurie Drexler
Phone #1-800-523-8363 or Phone #651/224-4391
Fax #651/244-3609

Frito-Lay, Inc.
Post Office Box 660059 Dallas, TX 75266-0059 ATTN: Tyler Reeves
Phone #1-800-776-2257 x4996 Fax #972/376-6314

Dan Iverson
DPR Vending Contract 2011 ORD EXH C to ATT 1
July 28, 2011
Version #1

Vistar VSA
12650 East Arapahoe Road Building D
Centennial, CO 80112 Cheryl Swinehart
Phone #303/662-7132 FAX #303/662-7545
Reference Canteen Corp #53

Coca-Cola North America One Coca-Cola Plaza
USA 1624A
Atlanta, GA 30301
Michelle Brown
Phone #404/526-3835 Reference Account #90476

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Parks	Dan Iverson/ 233-0063	Amy Williams/ 233-2651

Legislation Title:

AN ORDINANCE relating to vending machines in City park facilities; authorizing the Superintendent of the Department of Parks and Recreation to enter into a five-year concession agreement with Compass Group USA, Inc., for providing snack and beverage vending machines in City park facilities identified in the agreement and additional City park facilities and locations approved by the Superintendent from time to time.

Summary of the Legislation:

This proposed legislation authorizes the Superintendent of the Department of Parks and Recreation (Superintendent) to enter into a five-year concession agreement with Compass Group USA, Inc., to provide vending machine services at Department of Parks and Recreation (DPR) facilities. The agreement incorporates the Department's new standards for healthier snacks and beverages. The main financial terms of the agreement include a \$15,000 signing bonus, to be paid in five annual installments of \$3,000, and 22%-27% of gross sales, estimated to be \$40,000 annually.

Background:

DPR's current vending contract expires in September 2011. In anticipation of the new vending agreement, DPR coordinated with Public Health Seattle & King County to develop new healthy food standards for vending machines at DPR facilities. These new standards exclude candy and sugary soft drinks from vending machines as a way to offer healthier food and beverages choices to the public. These new standards were included in the vending request for proposals.

Compass Group USA, Inc., (Canteen) was selected as the vending machine concessionaire following a competitive Request for Proposals (RFP) process advertised both in print media and on the internet in three languages (Spanish, Cantonese, and English). The Vending Services Evaluation Panel was unanimous in their selection of Canteen's proposal based on the level and quality of service, the variety of healthy products offered, and the financial terms of the proposal. Also, Canteen has a demonstrated track record of successfully managing similar vending relationships with other municipalities as well as school districts and other public and private agencies.

The agreement with Canteen is for five years, with an option to renew for an additional five years. In addition to the annual payment of \$3,000, the City will receive 27% of gross revenue from diet soda and non-alcoholic beverage sales, 22% of gross revenue from snack sales, and 27% of gross revenue from other vending machine sales. The total estimated revenues resulting from this agreement is approximately \$40,000 annually beginning in 2012.

Please check one of the following:

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

Appropriations: N/A

Fund Name and Number	Department	Budget Control Level*	2011 Appropriation	2012 Anticipated Appropriation
TOTAL	N/A	N/A	N/A	N/A

Appropriations Notes: No funds will be appropriated by this legislation.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
Parks and Recreation (10200)	Parks and Recreation	Income from snack and beverage vending machines	\$3,000	\$43,000
TOTAL			\$3,000	\$43,000

Revenue/Reimbursement Notes: Revenues are from concession payments from the vendor (Canteen) to the City plus a \$15,000 signing bonus paid in five annual installments of \$3,000.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2011 Positions	2011 FTE	2012 Positions*	2012 FTE*
TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Position Notes:



Do positions sunset in the future? N/A

Spending/Cash Flow: N/A

Fund Name & #	Department	Budget Control Level*	2011 Expenditures	2012 Anticipated Expenditures
TOTAL	N/A	N/A	N/A	N/A

Spending/Cash Flow Notes:

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No
- b) **What is the financial cost of not implementing the legislation?**
The current vending agreement expires in September 2011. Not passing this legislation would require a new request for proposal process or discontinuation of vending machine service in Park facilities, and would result in a loss of \$15,000 signing bonus and an estimated \$40,000 per year.
- c) **Does this legislation affect any departments besides the originating department?**
No
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
There are none.
- e) **Is a public hearing required for this legislation?**
No
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No
- g) **Does this legislation affect a piece of property?**
No
- h) **Other Issues:**
None

List attachments to the fiscal note below:

Attachment A: Contract Summary



Attachment A
Seattle Department of Parks and Recreation

CONTRACT SUMMARY

August 8, 2011

Name of Contracting Party/ Lessee/ Concessionaire/Other: Compass Group USA, Inc., by and through its Canteen Vending Services Division

Contract Type: Concession Contract

Non-Profit ☐ **or For Profit** ☒ **X**

New or Renewal (or extension of existing Lease) New

Term of Original Contract: 5 years with option to renew for an additional 5 years

Purpose of Contract: To partner with a private vending machine contractor to manage vending machines in Seattle Parks and Recreation (DPR) locations, generating revenue to the City while providing healthier snacks and beverages.

Public Benefit: DPR is implementing a higher standard for healthier snacks and beverages which excludes candy and sugary soft drinks to encourage healthier consumption while using DPR facilities. Annual revenue is estimated at \$40,000, plus additional revenue of \$15,000 as a signing bonus of five annual payments of \$3,000 each.

Brief description, overview, history, general terms, and other pertinent info: DPR's current vending contract expires in September 2011. Anticipating a new vending agreement, DPR, in cooperation with Seattle & King County Public Health, developed new standards for acceptable snacks and beverages to be sold in vending machines at DPR locations. DPR included the new standards in the vending Request for Proposals. The vending evaluation panel recommended selection of Canteen Vending for the management of vending machines at DPR locations. Canteen will pay DPR a \$15,000 signing bonus of five annual payments of \$3,000 and a 22% concession fee on food items, and a 27% concession fee on beverages sold from machines; estimated annual income is \$40,000.





City of Seattle
Office of the Mayor

August 16, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed ordinance that enacts a five-year agreement with Compass Group USA, Inc., doing business as Canteen Vending, for the management of vending machines at Seattle Parks and Recreation facilities. This agreement ensures full implementation of the Department's new standards for healthier snacks and beverages while generating an estimated \$40,000 in annual revenue to the City.

Canteen Vending was selected as the vending machine concessionaire following a competitive Request for Proposal (RFP) process advertised both in print media and on the internet in three languages (Spanish, Cantonese, and English). The RFP evaluation panel was unanimous in their selection of Canteen's proposal as the most advantageous to the City because of the high quality of service, the variety of healthy products offered, and the financial terms of the proposal. Canteen has a demonstrated track record of successfully managing similar vending relationships with other municipalities, school districts, and various public and private agencies.

Approval of the proposed ordinance will allow the Department to provide healthy snacks at park and recreation facilities and generate revenue to help recover associated costs. Thank you for your consideration of this legislation. Should you have questions, please contact Charles Ng at 684-8001.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council